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UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA,

Plaintiff,

Criminal Action
No. 22-cr-10026-RWZ

v.

Date: March 23, 2022

DAVID FORTE,
GREGORY MANNING,
JOHN YOUNIS,

Pages 1 to 21

Defendants.

TRANSCRIPT OF CHANGE OF PLEA HEARING
FOR JOHN YOUNIS
BEFORE THE HONORABLE RYA W. ZOBEL
UNITED STATES DISTRICT COURT
JOHN J. MOAKLEY U.S. COURTHOUSE
ONE COURTHOUSE WAY
BOSTON, MASSACHUSETTS 02210

JOAN M. DALY, RMR, CRR
Official Court Reporter
John J. Moakley U.S. Courthouse
One Courthouse Way, Room 5507
Boston, Massachusetts 02210
joanmdaly62@gmail.com

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P R O C E E D I N G S

(The following proceedings were held in open court before the Honorable Rya W. Zobel, United States District Judge, United States District Court, District of Massachusetts, at the John J. Moakley United States Courthouse, 1 Courthouse Way, Boston, Massachusetts, on March 23, 2022.

The defendant, John Younis, is present with counsel. The Assistant U.S. Attorney is present.)

THE CLERK: This is the United States v. John Younis. It's criminal 22-10026. Can I ask counsel please identify themselves for the record.

MR. HOLCOMB: Good afternoon, Your Honor. David Holcomb for the United States.

THE COURT: I'm sorry?

MR. HOLCOMB: David Holcomb for the United States.

THE COURT: And for the defendant?

MR. BRACERAS: Good afternoon, Your Honor. Roberto Braceras on behalf of John Younis.

THE COURT: I didn't recognize you with your beard.

MR. BRACERAS: It's been a while, Your Honor. It's a pandemic beard.

MS. CHUNIAS: Good afternoon, Your Honor. Jennifer Chunias.

THE COURT: All right. I understand the defendant

1 is here for a change of plea.

2 MR. BRACERAS: Yes, Your Honor.

3 THE COURT: I have to move so I can see you. All
4 right. The defendant is offering to plea to both counts?

5 MR. BRACERAS: Yes, Your Honor.

6 THE COURT: I should explain to you, let's see,
7 it's Mr. Younis who is offering to plea?

8 MR. BRACERAS: Yes.

9 BY THE COURT:

10 Q. I need to explain some things to you about the trial and
11 rights that you have having been accused of a crime, and that
12 you're giving up by pleading guilty.

13 Do you understand?

14 A. Yes, Your Honor.

15 Q. Before I do that I will also need to ask you some
16 questions about this. And before I get there -- it's okay.

17 The Clerk will swear you and ask you to tell us whether you
18 plead guilty or not. After that I will get to the questions
19 and the explanations to the extent I can do that.

20 Do you want the indictment?

21 THE CLERK: Mr. Younis, for these two counts of
22 this indictment charge you with Count 1, 18 U.S.C. 1349
23 Conspiracy to Commit Securities Fraud, and Count 2, 15 U.S.C.
24 78(b) & 78 ff(a); 17 C.F.R. 240.10b-5; 18:2, Securities
25 Fraud; Aiding and Abetting.

1 Sir, how do you plead to these two counts, guilty
2 or not guilty?

3 THE DEFENDANT: Guilty.

4 THE CLERK: Thank ou. Can I ask you, sir, to
5 please raise your right hand.

6 (John Younis, duly sworn by the Deputy Clerk.)

7 THE CLERK: You can be seated, sir. Thank you.

8 EXAMINATION BY THE COURT:

9 Q. Mr. Younis, your full name is John Younis.

10 A. Yes. John David Younis.

11 Q. Where were you born?

12 A. Boston.

13 Q. In Boston?

14 A. Yes.

15 Q. Can you pull the microphone towards you.

16 A. In Boston.

17 Q. Much better. So I can fairly assume that you are a
18 citizen of the United States?

19 A. Yes.

20 Q. And you do speak English?

21 A. Yes.

22 Q. The status of the case at the moment is that you have
23 been accused of an offense and you have offered to plead
24 guilty to it. What I will need to do is to explain to you
25 what rights you have after the government accuses you and

1 then make sure that you understand that; that you understand
2 what the offense is that the government has accused of you;
3 and that I can accept your plea; also that you understand the
4 length the maximum sentence that can be imposed.

5 So we will start with when the government accuses
6 of you a crime, which it has done by means of this
7 indictment, which charges you with offenses in two different
8 counts, two different offenses in two different counts,
9 although essentially the same conduct. Then you have a right
10 to trial. And the government has to prove at that trial that
11 you are guilty beyond a reasonable doubt.

12 So one of the things that you give up when you
13 plead guilty is the right to a trial. In fact, you give up
14 the whole trial. And there are a number of additional
15 consequences to that, which we will come in just a moment.

16 So what I need to talk about to you is, number one,
17 what the charges are against you, what the maximum penalty
18 is, and then the rights that come into play in conjunction
19 with the trial that you are giving up. The offense that was
20 charged in this indictment -- I have too many papers.

21 The offense is as I said in two counts. Let me
22 start by explaining to you Count 2. Count 2 accuses you of
23 having committed securities fraud. What the government would
24 have to prove in order to prove you guilty of that count is,
25 number one, that you and co-defendants, there are two other

1 people who have been accused in this, and there may have been
2 others around as well, at some point developed and used a
3 plan to purchase the stock of a company that was about to be
4 bought by another company and which one of the other people
5 who had been accused here had a fairly high position that
6 they knew about, but at that point it was still secret. But
7 they let you know and somebody else know for sure. at least
8 that's what the accusation says. At the same time it was
9 withholding from the public any knowledge of this because any
10 knowledge of this company which is Analog stock or something
11 like that was keeping very quiet because if it was known that
12 it was planning to buy another company, which is called
13 Linear Technology, that the price of Linear Technology would
14 change, probably go up.

15 And what the essential charge is that you and the
16 other two took advantage of the knowledge, which was secret
17 knowledge, or not broadly known knowledge, and in the process
18 were able to buy the stock of Linear Technology Company
19 before this transaction was to take place by the Analog
20 Company.

21 And then you were able to sell the stock at a
22 considerably higher price than that which you paid for it.
23 That use of the secret information is the essence of what the
24 government has said is the fraud in Count 2. Because what
25 the government has to prove with respect to that is that you

1 and your colleagues did develop and use a plan to purchase
2 the Linear Technology stock with the knowledge that one of
3 the three of you had from working at Analog. That's number
4 one.

5 And that it was secret knowledge is the second
6 element that they have to prove. And the government also has
7 to show that when you pursued the purchase of the stock of
8 the Linear company, that you did, in fact, do so based on
9 what you had learned of the secret of Analog. And that is
10 deemed to be fraud under the statute under which the
11 government has charged you.

12 So the government has to prove that you and the
13 others developed this scheme to buy the stock based on
14 knowledge that one of you had, and that the knowledge was
15 secret; that you made false statements in the course of doing
16 that; and that you did not give knowledge; let them know that
17 you had knowledge and other people did not; and you should
18 not have had that knowledge; and that your conduct operated
19 as fraud on Linear, which the whole thing kind of got
20 bolloxed up, I guess; and that you did what you did knowingly
21 and willfully. You understood what you were doing, and you
22 did it for the purpose of gaining money that you really
23 weren't entitled to. That's what the government has to prove
24 on Count 2 which is the plain fraud count.

25 Count 1 is a conspiracy count. And it says that

1 you and the other two conspired to commit this fraud, the
2 same fraud. And so what the government has to prove here in
3 essence is that you got together with one or two other
4 people; that you made a private agreement, either directly
5 you spelled it out or by the way you acted together to commit
6 this fraud that I just described with respect to Count 2.

7 So conspiracy simply adds that the government also
8 has to prove that there was an agreement between you and the
9 other two defendants or one of them or anybody else, but in
10 this case it's charged two people, named -- what I have does
11 not have all the names on it. But in any event, there were
12 two other people who were friends of yours and with who you
13 had made arrangements like this in the past, not illegal
14 ones, but that you had worked with them.

15 So that's the additional one. That two or more
16 people got together to commit an unlawful act knowing that
17 they were doing that. So that's Count 1. So these are the
18 elements that the government has to prove. Do you understand
19 that?

20 A. Yes, Your Honor.

21 Q. Now, the maximum penalty that the statute prescribes for
22 this offense is, with respect to Count 1, the conspiracy
23 count, a sentence of imprisonment of 25 years maximum, a
24 period of supervised release of five years, up to five years
25 again, a fine of \$250,000 or twice the gross gain or loss,

1 which I think would be less than that. And the mandatory
2 special assessment of \$100 as well as forfeiture to the
3 extent charged in the indictment. And I don't think the
4 indictment charged any forfeiture in this case, did it?

5 MR. HOLCOMB: Your Honor, the indictment does
6 include a forfeiture allegation.

7 THE COURT: The proceeds?

8 MR. HOLCOMB: Yes, it does.

9 THE COURT: Okay. So that's also included. With
10 respect to Count 2, the plain fraud count as opposed to
11 conspiracy to commit fraud, the maximum penalty is 20 years,
12 supervised release of three years, and a fine of \$5 million,
13 mandatory special assessment also of \$100, and forfeiture
14 again to the extent charged in the indictment.

15 So when there are two counts, the penalties get
16 added up for the maximum. So the two of them together have a
17 maximum prison sentence of 45 years, a total maximum fine of
18 \$5,250,000, plus any gain -- or twice the gain or loss, which
19 according to the papers I have is less than that. And a
20 mandatory special assessment of this as well of \$100 which
21 makes two for two counts. And forfeiture. But forfeiture
22 only once.

23 The amount that you gained that you shouldn't have
24 gained, is once, not twice, even though they are two
25 different charges. I think that's it. So that's the maximum

1 penalty. Although I can assure you we rarely get there.

2 Now, when the government accuses you of a crime,
3 you have an absolute right to go to trial. And the point of
4 the trial is for the government to show a jury what evidence
5 it has against you to prove that you did, in fact, commit
6 this offense and to prove that beyond a reasonable doubt. So
7 it's the government's burden at any trial to prove you
8 guilty.

9 You have absolutely no obligation to offer any
10 evidence, to respond in any way, other than sitting there
11 quietly. And the government has the burden. It has the only
12 burden that there is in a criminal case.

13 However, if you decide that you wish to respond to
14 the government's evidence and to its charges, you have an
15 absolute right to do that. First, you have a right to have a
16 lawyer to assist you in this project. If you can't afford to
17 hire a lawyer, then the Court will appoint counsel for you.
18 You have a right, even if you don't put any evidence of your
19 own before the jury, you have a right to respond to what the
20 government offers.

21 So the way that would work is the government would
22 call a witness. It would examine the witness, and your
23 counsel would have an opportunity and the right on your
24 behalf to cross-examine the witness, to try to test the
25 witness' memory, the witness' truthfulness, the witness'

1 ability to interpret the events in some way that he or she
2 may be asked about. Then after you have done that through
3 your counsel, the government can continue with that witness
4 for a second time to try to clean up whatever you may have
5 muddled for the government.

6 And then you'll have a second opportunity as well.
7 And that obtains with respect to every witness that the
8 government may call. You have no obligation to offer any
9 evidence at a trial. You certainly have a right to test the
10 government's witnesses and the government's evidence. And
11 when the government has finished offering its evidence the
12 way I just described, then you have an opportunity to offer
13 yours if you choose to.

14 But since the government is the one that has the
15 burden of proof, you have no obligation to offer any
16 evidence. You have no obligation to take the stand and
17 explain yourself because you can say to the jury, look, the
18 government has accused me, and they have to prove that I'm
19 guilty. I have nothing to say about that.

20 On the other hand, you may take the stand and you
21 may testify to explain and that you choose to offer for the
22 jury's consideration. And once that is done, once the
23 government has offered its case, you have responded either by
24 only by cross-examination and maybe objections to what the
25 government wants to put in. You don't have to offer any

1 other evidence. But if you do, when that is finished, then
2 the next step in the proceedings is for me to meet with
3 counsel and you to determine what I will tell the jury about
4 the law and the instructions that I will ultimately have to
5 give to them. And then the government has an opportunity to
6 argue to the jury the evidence that has been presented and
7 try to persuade the jury that they should find you guilty.

8 And they have to do that only, they can do that
9 only if they find that the government has proven you guilty
10 beyond a reasonable doubt, which will also be explained to
11 them. And when the government finishes that argument to the
12 jury, you have a right to offer through your counsel your
13 argument how the government has failed in this respect.

14 Then eventually I will charge the jury on the law
15 as I see it, which, as I said, I will already have rehearsed
16 with your counsel and government counsel. And then the case
17 will be in the jury's hands. And what they will be
18 instructed is that they can convict you only if they're
19 convinced beyond a reasonable doubt, which is a very heavy
20 burden on the government, that you are guilty on each count,
21 and they have to look at the evidence as to each count
22 separately and treat each one of them as a separate offense.

23 So that's how the trial would go and of course you
24 would have throughout the trial available to assist you your
25 counsel. And then if the jury comes back with a verdict of

1 not guilty, that's the end of the case or at least of any
2 count as to that. If they come back with a guilty verdict,
3 then the case continues ultimately to sentencing. But all of
4 these proceedings in court are to a very large extent
5 designed to protect your rights, to make sure that we
6 understand what the government is alleging you did, and that
7 it is all done in a manner that protects your rights as much
8 as possible.

9 Do you understand that?

10 A. Yes, Your Honor.

11 Q. Have you talked with your counsel and discussed with your
12 counsel your decision to offer this plea of guilty?

13 A. Yes, Your Honor.

14 Q. And are you satisfied with the advice that he has given
15 you?

16 A. Yes, Your Honor.

17 Q. And you understand that you have no obligation whatsoever
18 to give any testimony in the trial? You certainly have a
19 right to object to testimony. You have a right to tell your
20 side of the story, but you have no obligation to do either.

21 A. Yes, Your Honor.

22 Q. Okay. Did I ask you whether anybody put any pressure on
23 you to offer this plea?

24 A. No one put pressure on me, Your Honor.

25 Q. Okay. I will now ask the government to tell us what the

1 evidence is that they would offer if we were to go to trial.
2 And I think counsel has given us a summary of that already.
3 You have a copy of that, do you not?

4 MR. BRACERAS: Yes, Your Honor.

5 THE COURT: So listen carefully because my last
6 question to you is what, if anything, you have to do with
7 these two counts.

8 MR. HOLCOMB: Thank you, Your Honor. The
9 defendant, John Younis of Bristol, Rhode Island, was lifelong
10 friends with co-defendant David Forte and Gregory Manning.
11 David Forte's close relative was a senior executive at Analog
12 Devices, a publicly-traded company based in Massachusetts
13 that designed and manufactured semiconductor products.

14 David Forte and his close relative had a
15 relationship of trust and confidence and the close relative
16 owed fiduciary duties and duties of trust and confidence to
17 his employer Analog. On or about June 22, 2016, Analog
18 submitted a proposal to acquire Linear technology, a
19 publicly-traded company based in California that designed and
20 manufactured Analog integrated circuits.

21 At or around this time, David Forte's close
22 relative began receiving nonpublic and confidential
23 information about the proposed acquisition in connection with
24 his role at Analog. Between this time and the public
25 announcement of the acquisition on July 26, 2016, David Forte

1 spoke with his close relative and obtained from his relative
2 material, nonpublic information about Analog's plans to
3 acquire Linear. After obtaining this information, David
4 Forte shared the information with this defendant, John
5 Younis, and with Gregory Manning.

6 After speaking with David Forte, John Younis
7 deposited \$60,000 into his brokerage account on or about
8 July 18, 2016. Following several additional conversations
9 with David Forte, John Younis called his brokerage firm on or
10 about July 21, 2016, and purchased Linear call options.
11 After speaking with David Forte again the following day,
12 July 22, 2016, John Younis purchased shares of Linear stock.

13 Additionally, around this time John Younis spoke
14 with a business associate who subsequently purchased Linear
15 stock. Analog's acquisition of Linear was publicly reported
16 four days later on July 26, 2016. Linear's share price rose
17 from approximately \$49 per share to over \$64 per share before
18 NASDAQ halted trading in Linear shares. John Younis
19 attempted to sell his Linear call options that same day, but
20 the trades did not execute due to the trading halt.

21 The following morning, July 27, 2016, John Younis
22 spoke with David Forte and then sold his holdings of Linear
23 call options and shares for a profit of nearly \$52,000, a
24 return of approximately 89 percent over the course of less
25 than one week.

1 Your Honor, thank you. That's the evidence that
2 the government would present at trial.

3 BY THE COURT:

4 Q. Mr. Younis, can you please tell me what, if anything, you
5 learned from Mr. Forte concerning the sale of -- the purchase
6 by Analog of the other company, well, what you knew about
7 that, and whether you knew that it was still a secret.

8 A. Your Honor, I'm sorry. I traded on confidential
9 information. And I was wrong and I'm sorry.

10 Q. You knew it was confidential information?

11 A. Yes, Your Honor.

12 Q. And what did that mean in terms of whether you could buy
13 the stock at that point or not? Did you understand that?
14 Did you understand that having gained confidential
15 information that you were not really in a position legally to
16 purchase the stock at that point?

17 A. I knew it was wrong, Your Honor. I'm sorry.

18 Q. And do you acknowledge that it was a violation of the
19 various laws having to do with a purchase like this, not
20 adhering to the confidentiality was a problem, indeed a
21 crime?

22 A. Yes, Your Honor. And sorry.

23 Q. And with respect to the conspiracy count, Count 1, did
24 you work with the other two participants in this, Mr. Forte
25 and Mr. Manning, in carrying out these separate but

1 associated purchases?

2 A. I never spoke with Greg Manning.

3 Q. You understood with them that they were all going to do
4 this as well?

5 A. I just spoke with Dave Forte.

6 Q. I'm sorry.

7 A. I just spoke with Dave Forte.

8 Q. With Forte you agreed that you would buy the stock and
9 make a profit?

10 A. Yes, Your Honor.

11 Q. Did you know that it was against the law to do that at
12 the time?

13 A. Excuse me? Can you repeat that?

14 Q. At the time you did this, did you know that it was
15 against the law to so use secret information?

16 A. I understand, Your Honor. Yes. I'm sorry.

17 THE COURT: I find that the defendant understands
18 the nature of the charges as well as the maximum penalty. I
19 further find that there is a basis for the plea and will
20 accept it to Counts 1 and 2.

21 THE CLERK: Looking for sentencing, what about
22 June 29 at 2?

23 THE COURT: What's the date, Lisa?

24 THE CLERK: I was looking, if it's okay with
25 counsel, June 29 at 2. Is that good?

1 MR. BRACERAS: That's fine with me.

2 THE CLERK: Is that okay?

3 MR. HOLCOMB: That works. Thank you.

4 THE CLERK: Obviously if there are any problems,
5 let me know. So 6/29 at 2.

6 THE COURT: The next thing that will happen,
7 Mr. Younis, is I hope counsel will take you to probation.
8 Might as well do it now since you're here. One of the
9 probation officers will prepare a presentence report. They
10 will rely on you for much of the information that goes into
11 that. They will supply, they will give you a copy before
12 they give it to anybody else and ask you if it's correct.
13 And if it's not correct, please tell them so that they can
14 make the corrections.

15 And then it will go to counsel, government counsel
16 as well as to me. And it has much to do with what the
17 sentence will ultimately be. So it should be correct and as
18 full as possible, as complete as possible. Is there anything
19 else that we need to do?

20 MR. HOLCOMB: No. Thank you, Your Honor.

21 THE COURT: What about bail? Is there a release
22 order now?

23 MR. HOLCOMB: He's currently on release.

24 THE COURT: The same release conditions will be
25 continued.

1 MR. HOLCOMB: Thank you.

2 THE COURT: Okay. Thank you.

3 MR. BRACERAS: Your Honor, just one last thing.
4 You'll be getting my notice of withdrawal from the case this
5 afternoon or tomorrow.

6 THE COURT: I'm sorry?

7 MR. BRACERAS: You'll be getting my notice of
8 withdrawal this afternoon or tomorrow. After 24 years with
9 Goodwin and Procter, I am actually leaving the firm. I
10 wanted to thank you for your indulgence over the years. If
11 you remember Jonathan Chiel, Jonathan recruited me to join
12 Fidelity as his deputy general counsel. This is my last
13 court appearance in almost 30 years.

14 THE COURT: Well, thank you.

15 MR. BRACERAS: So thank you for bearing with me
16 over the years.

17 THE COURT: Okay. Thank you all.

18 (Court recessed at 2:37 p.m.)
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CERTIFICATION

I certify that the foregoing is a correct
transcript of the record of proceedings in the above-entitled
matter to the best of my skill and ability.

/s/ Joan M. Daly

November 4, 2022

Joan M. Daly, RMR, CRR
Official Court Reporter

Date